GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:919
ANSWERED ON:24.02.2003
POLICY FOR WELFARE OF SUGARCANE GROWERS
AVTAR SINGH BHADANA;SRIPRAKASH JAISWAL

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have framed any policy or issued any guidelines for the welfare of sugarcane growers and sugar mills including fixing of minimum support price and waiver of loans;

(b) if so, the details thereof and the time by which these welfare measures would be givben effect to; and

(c) if not, the reasons for delay in these welfare measures?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)to(c): Department of Agriculture & Cooperation of Agriculture Ministry is concerned withcultivation and production of sugarcane. Matters relating to purchase of sugarcane, by mills, fixation of Statutory Minimum Price (SMP), payment of sugarcane dues by mills and proper running of sugar mills etc are handled by the Ministry of Consumer Affairs, Food & Public Distribution.As per information from the Ministry of Consumer Affairs, Food & Public Distribution, following steps have recently beeninitiated in the interest of the sugarcane growers and the sugar industry:-

(i) Buffer Stock of 20 lakh tones of sugar A Buffer Stock of 20 lakh tones of sugar has been created involvinga n outgo of Rs.412 crores from the Sugar Development Fund; Banks on account of the Buffer Stock would releaseRs.374 crores. Thus, an amount of Rs.786 crores would become available for the payment of cane dues to the farmers.

(ii) Increase in the Statutory Minimum Price (SMP) for sugarcane by Rs.5.00 per quintal for 2002-03 sugar season

The Central Government had earlier fixed the Statutory Minimum Price (SMP) of sugarcaneat Rs.64.50 per quintal linked to a basic recovery of 8.5% subject to a premium of Rs. 0.76 for every 0.1 percentage point increase in the recovery above that level for the 2002-2003 season. In order to extend relief to the sugarcane growers, the SMP of sugarcane was increased by Rs.5per quintal, that is to Rs.69.50 per quintal linked to a basic recovery of 8.5 per cent subject to premium of Rs.0.82 for every 0.1% point above that level for the 2002-2003 season.

(iii) Reimbursement of Internal Transport and Freight Charges

It has been decided to reimburse internal transport and freight charges to sugar factories. Reimbursement of internal transport charges, incurred on export shipments of sugar, has already been allowed. Similarly, neutralization of ocean freight disadvantage at the rate of Rs.350 per tonne on account of export shipments of sugar would now be reimbursable.